(d) whether Indian private parties have agreed to set up power .projects in Nepal; and

(e) if so, the details thereof?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) A "Treaty" concerning the integrated development of the Mahakali river was signed in February 1996. Govt, of India has agreed to supply 300 cusecs of water from Tanakpur in the dry season and 70 MU of power free of cost. Both countries have agreed to implement the Pancheshwar multi-purpose project as an integrated project. The Detailed Project Report for the Pancheshwar multi-purpose project would be prepared after discussions between experts of the two countries. A number of meetings of the Joint Group of Experts of the Pancheshwar project has been held. The joint group of Experts have identified the important issues which require to be resolved in order to finalise the Detailed Project Report.

(b) to (e) The 'Government of Nepal are exploring the possibilities of development of hydro electric power through private participation.

Reforms in Power Sector

824. SHRI RAMDAS AGARWAL: Will the Minister of POWER be pleased to state:

(a) what reforms in the power sector are being contemplated by his Ministry including in areas of transmission, conservation of energy, liquid fuel projects and standardisation of fuel supply agreements, as reported in 'The Hindustan Times' dated 18th May, 1998;

(b) whether his Ministry has given three months time to the State Governments to set up the State Electricity Regulation Commission if they want to avail of subsidy on interest loans from National Power Finance Corporation, Rural Electrical Corporation etc., and if so, the details thereof; and

(c) the amount of power subsidy likely to be made in the 1998-99 budgetary allocations?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) The reforms contemplated in the power sector relate to establishment of Electricity Regulatory Commissions both at Central and at States level for rationalisation of tariffs and matters related thereto; to recognise transmission as independent activity of generation and distribution; encouraging energy conservation and establishment of Bureau of Energy Efficiency; and standardization of liquid fuel supply agreement to be entered into by the IPPs with the Oil Public Sector Undertakings.

(b) As on date Government has not approved any such proposal.

(c) The Government of India do not provide subsidy for tariff of power in its budgetary allocation as the same is provided by the respective State Governments in their budget.

Demand and Supply of Electricity

825. SHRI O. RAJAGOPAL**:** Will the Minister of POWER be pleased to state:

(a) whether there is a huge gap between the demand and supply of electricity in the country;

(b) if so, what is its present status of demand and supply of electricity;

(c) since when this gap persists; and

(d) by when this gap is likely to be bridged?

THE MINISTER OF POWER (SHRI R. KUM ARAMANGALM): (a) and (b) The power supply position in the Country during 1997-98 and April, 1998 is given below:

(Figures in MU net)

	1997-98	April, 98
Requirement	424505	37581
Availability	390330	34707
Shortage	34175	2874
%Shortage	8.1	7.6

(c) and (d) Inspite of significant growth in power generation over the years the shortage remains and is mainly on account of growth in load demand for power, outstripping the growth in generation.

As per the preliminary exercise undertaken by the Government, the capacity addition of 40.226 MW is assessed to be fessible during the Ninth Plan period (1997-98—2001-02). If this capacity materialises, the all India energy deficit is likely to be 1.4% by the end of Ninth Five Year Plan.